

**COMMONWEALTH OF KENTUCKY
OFFICE OF WORKERS' CLAIMS
FRANKFORT, KENTUCKY 40601**

SELF-INSURERS' GUARANTEE AGREEMENT

I. Guarantee: That _____ (hereinafter "Guarantor") a corporation, organized and existing under and by virtue of the laws of the _____ do hereby agree to assume and guarantee to pay or otherwise discharge promptly, all the liabilities and obligations of the following business entity (entities) (hereinafter "Employer(s)"): _____

which are provided for under the provisions of the Workers' Compensation Act of the Commonwealth of Kentucky per KRS Chapter 342 (hereinafter "Act"). In the event that said Employer(s) fails to pay or cause to be paid their Workers' Compensation liabilities as they become due under said Act, then the Guarantor covenants and agrees that it will pay same.

II. Guarantor's Obligation upon Employer's Default: If the Employer(s) fails to pay any of their obligations as a self-insurer under the Act, the Guarantor will, upon demand and without delay, pay each such unpaid amount as required by the Act to or on behalf of the employee whose injury or disease resulted in that obligation or the representative or beneficiary of that employee, if appropriate, (hereinafter collectively called the "Employee"). Guarantor enters this agreement with the express understanding as a condition precedent to the execution and acceptance of this agreement, that it is for the benefit of unknown and unnamed employees and said employees may maintain direct action on this Agreement to enforce the Guarantor's obligations. In addition, the Executive Director of the Office of Workers' Claims or his representatives, successors or assigns (hereinafter "Office of Workers Claims") may maintain direct action on this Agreement to enforce the performance of the Guarantor's obligations hereunder. In any such actions, the employees and Office of Workers' Claims may recover costs and reasonable attorneys' fees incurred.

Notwithstanding the foregoing, Guarantor shall be entitled to contest its liability in any actions brought against it pursuant to this agreement on the same grounds on which the Employer(s) could do so.

III. Guarantor's Waiver of Defenses and Subrogation Rights: In no event shall the Guarantor demand or require as a condition of performing its obligations hereunder that the Office of Workers' Claims (a) obtain judgment or exercise any remedies against an Employer(s), (b) exhaust any rights with respect to any security that an Employer(s) may have posted with the Executive Director, or (c) notify the Guarantor of any information concerning amendment(s) to the Act after the date hereof or concerning Employer(s) that may be relevant to the obligations guaranteed hereunder. The Guarantor hereby agrees not to assert any subrogation rights that it may have as a result of any payments made hereunder against any security that Employer(s) has posted or may post with the Executive Director unless and until the Executive Director returns or releases the security. In addition, the Guarantor agrees to make the payments provided for in this Agreement without regard to whether any obligation of the Employer(s) has been discharged under federal bankruptcy laws or any similar laws.

IV. Termination of Guarantee: This agreement may be terminated at any time by Guarantor giving the Executive Director of the Office of Workers Claims written notice stating when, not less than sixty (60) days from receipt of notice, such termination shall be effective. It is expressly understood and agreed by Guarantor that such cancellation, however, is not to affect liabilities incurred prior to the date of cancellation, or any liabilities or obligations it has under Kentucky Revised Statute Chapter 342. Furthermore, Guarantor understands and agrees that the sale or change in ownership of the Employer(s) it guarantees under this agreement does not terminate this agreement.

V. Reaffirmation of the Guarantee: In his or her sole discretion, the Executive Director may, from time to time, require the Guarantor to reaffirm its obligations under this Agreement by re-executing the form of this Agreement as it may subsequently be revised by the Office of Workers Claims. The Guarantor shall comply with the Executive Director's demand for such a reaffirmation within fifteen (15) days of its receipt. Notwithstanding the foregoing, the Guarantor shall remain liable under the terms of this Agreement in the absence of any such reaffirmation.

VI. Choice of Venue; Consent to Jurisdiction; Waiver of Personal Service: All actions, suits or proceedings commenced by any person in connection with this Agreement shall solely and exclusively be brought in a state or federal court located in Franklin County, Commonwealth of Kentucky. The Guarantor hereby consents to the jurisdiction of said court in any action or proceeding commenced in connection with this agreement and waives any objection to venue in connection therewith. The Guarantor hereby waives personal service of process or papers to be served in connection with the foregoing and agrees that service

may be made by service upon its registered agent in the Commonwealth of Kentucky or upon an official of the Employer(s) that the Guarantor has agreed to guarantee under this agreement.

In the event any provision of this Agreement is deemed to be in violation of law, such provision shall not impair the validity of any other provision.

This agreement shall be effective as of _____, 20____.

Signed, sealed and delivered this ____ day of _____, 20____.

Company

Title

Signature

Attest:

(CORPORATE SEAL)

* Attach hereto a Resolution of the Board of Directors of a certified copy of the corporate by-laws authorizing the signature(s) displayed on this document